



CALIFORNIA STATE TREASURER BILL LOCKYER

# NEWS RELEASE

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## **Treasurer Lockyer Announces Completion of Unprecedented \$194 Million Bond Sale to Fund Road Projects in Bay Area, Other Northern California Counties**

SACRAMENTO – State Treasurer Bill Lockyer today announced the completion of an unprecedented \$194 million bond transaction with the Bay Area Toll Authority (BATA) to finance work on 11 road projects in Bay Area and other Northern California counties.

“We’re working hard to get California’s infrastructure program back in high gear, but it will take time” said Lockyer. “Meanwhile, we need to pursue innovative financing strategies to keep projects moving, people working and businesses thriving. This deal is the first of its kind, but it won’t be the last. The Toll Authority deserves credit for stepping forward to help the State recover from its long fiscal crisis.”

Under the transaction, the State sold BATA \$194 million of general obligation (GO) bonds authorized by Proposition 1B, the transportation project measure approved by voters in 2006. The State will spend the proceeds on 11 specified highway and traffic projects in Alameda, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma counties.

The State will pay BATA 3.34 percent interest over 18 months. At that time, the State plans to buy back the bonds and resell them into the market at long-term maturities.

The transaction is a “private placement,” in which the State offered the bonds only to BATA. Normally, the State sells GO bonds in open-market, public offerings in which individual and institutional investors have the opportunity to buy.

The BATA deal marks the first time the State has sold GO bonds to another public entity in a private placement. Lockyer said similar deals are under consideration, including a potential transaction with the Los Angeles County Metropolitan Transportation Authority.

Additionally, to get funds flowing to stem cell research, environmental protection and other projects, the State is exploring the possibility of entering private placement deals with foundations and other investors.

(MORE)

To help the State conserve cash during its protracted budget crisis, the Pooled Money Investment Board (PMIB) last Dec. 17 imposed a freeze on infrastructure financing. The action halted or delayed 5,300 projects with a combined value of \$18.1 billion. The jobs of 326,000 workers, and billions of dollars in revenues for the businesses which build the projects, have been lost or threatened. The freeze affects projects throughout California, including highways, bridges, schools, levees, housing, hospitals, conservation, fire stations, veterans homes and others.

The Governor on Feb. 20 signed a budget plan to resolve a projected \$40 billion deficit through fiscal 2009-10. Given the budget's enactment, the PMIB will meet as soon as possible in March to determine when, and to what extent, it will be able to thaw the infrastructure financing freeze.

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Table to Schedule 1

California Department of Transportation Tax Compliance Certificate  
Relating to State of California Highway Safety, Traffic Reduction, Air Quality and Port Security Bonds, Series 2009A

Bond Program	CT Dist	County	Route	E/A	Project Title	Contracting Agency	Total Bond Funds - Construction Contracts (Allotment)	Award Date	Estimated Completion Date	Expenditures To Date (Bonds) To Date	Remaining Unpaid Bond Balance
<b>AWARDED PROJECTS</b>											
SHOPP	04	Alameda	580	4A5311	Traffic Detection	Caltrans	\$ 1,612	4/15/2008	5/15/2009	\$ 511	\$ 1,100
SHOPP	04	Marin	101	4A5334	Traffic Detection	Caltrans	3,699	4/14/2008	3/30/2009	2,449	1,250
SHOPP	04	San Mateo / Santa Clara	101, 880 - various	4A5321	Traffic Detection	Caltrans	2,617	4/11/2008	7/30/2009	2,113	504
SHOPP	04	Solano / Napa	80 - various	4A5344	Traffic Detection	Caltrans	1,691	4/23/2008	2/10/2009	1,223	468
SHOPP	04	Alameda	24	4A5351	Traffic Detection	Caltrans	1,249	4/23/2008	6/30/2009	259	990
CMIA	04	Solano	80	0A5311	I-80 HOV lanes, I-80/I-680/12 to Putah Creek	Caltrans	14,150	6/4/2008	12/31/2009	3,197	10,953
CMIA, STIP, SHOPP	04	Alameda	580	290841	Route 580 Eastbound HOV Lane Project (Segment #1)	Caltrans	44,560	7/28/2008	7/20/2009	3,436	41,124
STIP and SHOPP	04	Alameda	680	253791	Sunol Grade HOV Corridor-Southbound (Sunol - Contract I)	Caltrans	38,830	9/2/2008	8/14/2009	6,309	32,521
CMIA	04	Sonoma	101	0A10U1	US 101 HOV lanes between Santa Rosa - Windsor	Caltrans	57,209	10/29/2008	1/1/2011	503	56,706
STIP	04	Alameda	680	2A4721	Sunol Grade HOT accommodations	ACCMA	8,000	12/18/2008 Local			8,000
				Sub total - Highways (awarded)			\$ 173,617			\$ 19,999	\$ 153,617
<b>ALLOCATED BUT NOT YET AWARDED</b>											
CMIA, STIP	04	Sonoma	101	129651	US 101 HOV Lanes - Wilfred	Caltrans	\$ 40,242	pending		\$ -	\$ 40,242
				Sub total - Bids Opened			\$ 40,242				\$ 40,242

Total Awarded - Highways	\$ 153,617
Total Pending Award	\$ 40,242
<b>Grand Total</b>	<b>\$ 193,859</b>